

Jim Efstathiou Jr [from Bloomberg News reported](#) on the Committee's hearing entitled, ["Offshore Drilling: Will Interior's Reforms Change Its History of Failed Oversight?"](#) to examine the reorganization of MMS:

Regulators overseeing U.S. offshore drilling move too easily between government and industry, and may have exploited ethics rules leading to potential conflicts of interest, the Interior Department's watchdog said.

Relationships among regulators and the industry were forged in some cases in childhood, acting Inspector General Mary Kendall told the House Oversight and Government Reform Committee. Exceptions to rules that let federal employees accept gifts from industry workers with whom they had a relationship may have been misused by regulators, she said.

After the explosion of the drilling rig leased by BP Plc, President Barack Obama told Interior Secretary Ken Salazar to boost oversight of offshore drilling and end a "cozy" relationship with regulators. The Gulf of Mexico spill triggered by the blast exposed ethical lapses within the department, said committee Chairman Edolphus Towns, a New York Democrat...

The Gulf spill prompted Kendall to expand probes into potential conflicts of interest to include officials changed with environmental, safety, inspection and enforcement.

"The Deepwater Horizon disaster has now exposed what appears to be continuing, major problems at MMS," Towns said. "Over the last decade, MMS has essentially permitted the oil industry to police itself. The Deepwater Horizon disaster suggests this might not be the most effective approach to ensuring safe offshore drilling."

[Bruce Alpert from the New Orleans Times-Picayune also covered the hearing:](#)

The federal government's chief oil regulator said today that he will hold a series of meetings, beginning Aug. 4, in New Orleans to hear from industry groups, environmentalists and others on way to improve drilling safety in light of the BP disaster.

The six hearings, which will be conducted through Sept. 15, also will consider whether steps can be taken to allow for an earlier end of the Obama administration's six-month moratorium on deepwater drilling, now slated to end Nov. 30, said Michael Bromwich, director of the bureau of Ocean Management, Regulation and Enforcement...

The spill commission, appointed by President Barack Obama, has been criticized by Louisiana members of Congress and others for not having enough drilling experts among its seven members, and too much representation by people with connections to the environmental movement, generally seen as hostile to deepwater drilling.

At today's hearings, Rep. Edolphus Towns, D-N.Y., the chairman of the Oversight and Government Reform Committee, said that federal regulators have received much deserved criticism for a "long history of regulatory and ethical failures."

"While the Interior Department is responsible for regulating the oil industry and they have been taking a lot of heat for that, it doesn't change the fact that BP was responsible for the safety of its oil well and BP was responsible responding to the oil spill. And it is BP that is ultimately responsible for the entire cleanup costs as well as the job losses and lost income resulting from

the spill."